



Gordon McKillop  
08/22/2000 04:00 PM

To: Chris Loehr/HOU/ECT@ECT  
cc:  
Subject:

Daily position report



raptor1.xls

approval form



APPROVAL.doc

8/21 draft Avici conformation  
forwarded email

**GOVERNMENT  
EXHIBIT**

**7811**

Crim No. H-04-0025

### Raptor I Daily Position Report & Summary

**Inputs:**

Trade Date 8/21/2000

**Summary:**

Gains and Losses	Total	Realized	Unrealized
Previous Day's Cumulative	\$ (11,480,973)	\$ -	\$ (11,480,973)
Today's Activity	\$ (10,934,260)	\$ -	\$ (10,934,260)
Cumulative Ending	<u>\$ (22,415,233)</u>	<u>\$ -</u>	<u>\$ (22,415,233)</u>
Notional Capacity	\$ 199,237,503		
Credit Capacity	\$ 322,240,706		
Remaining Governance Capacity	\$ 1,322,318,275		

Security/ Ticker	Trade Date	Settlement Date	Instru- ment	Cost	Posi- tion	Strike Price	Notional Amount	Notional Value	Market Price	Unrealized Gain/(Loss)	Realized Gain/(Loss)	Total Gain/(Loss)	Prior Day Realized	Total
Avici Systems	8/3/2000	8/3/2003	Swap	\$ -	Long	\$162.50	1,093,426	\$177,681,725	\$142.00	\$(22,415,233)	\$ -	\$(22,415,233)	0	\$(11,480,973)
End														
<b>Totals</b>				<b>\$ -</b>			<b>\$177,681,725</b>			<b>\$(22,415,233)</b>	<b>\$ -</b>	<b>\$(22,415,233)</b>	<b>\$ -</b>	<b>\$(11,480,973)</b>

### Daily Price Summary

Enron		Avici Systems	
Date	ENE	Date	AVCI
8/1/2000	\$ 76.000	8/1/2000	\$107.500
8/2/2000	\$ 77.625	8/2/2000	\$132.000
8/3/2000	\$ 78.016	8/3/2000	\$163.500
8/4/2000	\$ 78.000	8/4/2000	\$156.000
8/7/2000	\$ 80.266	8/7/2000	\$140.625
8/8/2000	\$ 82.438	8/8/2000	\$125.672
8/9/2000	\$ 82.297	8/9/2000	\$138.375
8/10/2000	\$ 80.766	8/10/2000	\$132.875
8/11/2000	\$ 80.250	8/11/2000	\$130.500
8/14/2000	\$ 84.250	8/14/2000	\$128.250
8/15/2000	\$ 82.125	8/15/2000	\$128.469
8/16/2000	\$ 84.016	8/16/2000	\$137.750
8/17/2000	\$ 90.000	8/17/2000	\$153.938
8/18/2000	\$ 86.938	8/18/2000	\$152.000
8/21/2000	\$ 87.875	8/21/2000	\$142.000

**Balance Sheet and 3 Percent Test**  
**Raptor I**

Talon Balance Sheet as of 4/18/00			
Assets		Liabilities & Owner's Equity	
Cash/Permitted Investment	71,001,000	Put Obligation	41,000,000 c
Note due from Enron	50,000,000	Note Due to Enron	400,000,000
Enron Shares	350,000,000 a		
		LJMII	30,000,000 d
		Enron	1,000
<i>Total</i>	<u>471,001,000 b</u>	<i>Total</i>	<u>471,001,000</u>

*Enron Shares Consist of:*

		Shares	Price
UBS	263,599,500	3,739,000	70.50
Peregrine	273,328,500	3,877,000	70.50
Total Undiscounted	536,928,000		
Less: Discount	(186,928,000) e	34.8%	
Net	<u>350,000,000 a</u>		

3 Percent Test			
Total Balance Sheet Footing		471,001,000 b	
Plus: Put Exposure	Shares	7,171,418	
	X Strike	57.50	412,356,535
Subtotal			883,357,535
Less: Put premium received			41,000,000 c
			842,357,535
X Required capitalization percentage			3.02%
Required Third Party Capitalization			25,439,198
Actual Third Party Capitalization			30,000,000 d
Result			Test Passed

8/21/2000

Analysis

Assumptions:

Enron Share Price	87.8750
LIBOR Rate	7.25%
Earnings distributed to LJM as a return on capital to the extent \$30 MM of LJMII's equity remains in Talon.	

Income Statement

For the period ending 8/21/2000

Option Premiums Earned	37,034,148	h
Permitted Investment Income	1,770,242	
Interest Income--Harrier Note	1,317,771	
Discount Amortization (187MM * Days OS/1080)	21,635,185	g
Interest Expense (400MM * 7% * Days OS/360)	(9,722,222)	
	<u>52,035,124</u>	
Unrealized Gains / (Losses)	(22,415,233)	
Realized Gains / (Losses)	0	
	<u>(22,415,233)</u>	

Credit Analysis

Initial Credit Capacity		
LJMII Capital	30,000,000	d
Initial Discount on Enron Shares	<u>186,928,000</u>	e
Total Initial Credit Capacity	216,928,000	
Plus: Talon Earnings	29,619,891	f
ENE share gain (loss)	132,328,000	
Additional LJMII Capital	6,000,000	
Less: Discount Amortization	(21,635,185)	g
Distribution to LJMII	<u>(41,000,000)</u>	

8/21/2000

Analysis

Talon Balance Sheet			
As of: 8/21/2000			
Assets		Liabilities & Owner's Equity	
Cash/Investment	37,771,242	Option Obligation	0 OK
Note due from Enron	50,000,000	Swap Obligation	22,415,233
Enron Shares	371,635,185	Note Due to Enron	413,688,074
Interest Receivable	1,317,771	LJMII	24,619,891 j
Swap Receivable	0	Enron	1,000
<b>Total</b>	<b>460,724,199</b>	<b>Total</b>	<b>460,724,199 i</b>
			0

3 Percent Test & Capacity Calculation	
Total Balance Sheet Footing	460,724,199 i
Option Exposure	0
Swap Exposure	155,266,492
Sub-Total	615,990,691
X Required capitalization percentage	3.02%
Required Third Party Capitalization	18,602,919
Actual Third Party Capitalization	24,619,891 j
<b>Result</b>	<b>Test Passed</b>
Surplus Third Party Capital	6,016,973

Equity Rollforward (Check)	
Capital	
LJM	36,000,000
ENE	1,000
	36,001,000
Plus Income(Loss)	29,619,891
Less Distributions	(41,000,000)
Current Equity	24,620,891
Ending LJM Capital	24,619,891
Ending ENE Capital	1,000
Difference	0 OK

### Transactions

Option Premiums Earned	
Settle Put Premium on ENE share	37,034,148
Total Option Premiums Earned	37,034,148
Cash Settlement on Put	(3,965,852)
Transfer to Note	3,965,852
Distributions	
to LJM on 8/3/00	(41,000,000)
LJM additional Equity 8/3/00	6,000,000



### Cash Account

Beginning Balance	71,001,000
Net Income	29,619,891
Amortizations	(21,635,185)
Unrealized Gains / (Losses)	22,415,233
Change in:	
Notes Receivable	0
Interest Receivable	(1,317,771)
Notes Payable	3,965,852
Notes Payable Interest	9,722,222
Option Obligations	(41,000,000)
Distributions	(41,000,000)
LJM Equity	6,000,000
Ending Balance	<u>37,771,242</u>

# Permitted Investment Income Summary

Permitted Investment Income Summary

Date	4/18/2000	Historic LIBOR Quotes	
Beginning Balance	71,001,000	4/15/2000	6.92%
		5/15/2000	7.33%
Date	8/3/2000	6/15/2000	7.40%
Days	107	7/15/2000	7.33%
		Avg	7.25%
Interest	1,623,882		
Date	8/3/2000		
Beginning Balance	37,624,882	7/15/2000	7.33%
		Avg	7.33%
Date	8/21/2000		
Days	18		
Interest	146,361		

# Harrier Note Amortization Table

	Inputs
Principle	50,000,000
Annual Interest Rate	7.00%
Term (in months)	36
Payments Per Year	2
Payment	9,383,410

	Period	Beginning Balance	Payment	Principle	Interest	Ending Balance
4/18/2000	0	50,000,000	0	0	0	50,000,000
10/1/2000	1	50,000,000	9,383,410	7,633,410	1,750,000	42,366,590
4/1/2001	2	42,366,590	9,383,410	7,900,580	1,482,831	34,466,010
10/1/2001	3	34,466,010	9,383,410	8,177,100	1,206,310	26,288,910
4/1/2002	4	26,288,910	9,383,410	8,463,299	920,112	17,825,611
10/1/2002	5	17,825,611	9,383,410	8,759,514	623,896	9,066,097
4/1/2003	6	9,066,097	9,383,410	9,066,097	317,313	0
			56,300,463	50,000,000	6,300,463	

8/21/2000	
Principle Received	0
Interest Received	0
Total Cash Received	0
Time Outstanding	125
Interest Receivable:	1,317,771
Interest Income	1,317,771

Period	0
Date	4/18/2000
Next Interest	1,750,000
Next Date	10/1/2000

# TALON DERIVATIVE APPROVAL SHEET

This Approval Sheet should be used to propose derivative transactions to Talon under the Raptor structure. This Approval Sheet is for Talon's approval and is not in lieu of any other approvals that may be required.

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## GENERAL

This transaction relates to ☐Raptor I or ☐Raptor II

Date Approval Sheet completed:

Enron person completing this form:

Expected closing date:

Business Unit:

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## DETAIL DESCRIPTION

[Insert a detailed description of the underlying asset.]

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## DETAIL OF DERIVATIVE

[Insert a detailed description of the type and economic terms of the derivative being entered into.]

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## PREMIUM CALCULATION

[Include a detailed explanation of the assumptions and information used to arrive at the premium, attach all relevant work papers associated with the calculation.]

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## ADDITIONAL INFORMATION

[For Public transactions include filing requirements and for Private transactions include valuation methodology and timing of revaluation]

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## APPROVALS

	Name	Signature	Date
Business Unit			
Business Unit Legal			
Global Finance			
Global Finance Legal			
Talon			